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NEWS RELEASE

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Statement of Gov. Christie Whitman Regarding the PAAD Program

"Next week , the Legislature will consider changes to the Pharmaceutical Assistance for the Aged and Disabled program (PAAD) to address the need to contain program costs, without unduly burdening seniors who participate in the program. I concur with the Legislature that it is not inappropriate to reconsider what we all agreed were appropriate changes during the budget process."

"I am committed to preserving the PAAD program for seniors who will need the program in the future. New Jersey seniors need the help provided by New Jersey's PAAD program, the most generous state prescription program in the country. We should make some minor changes to PAAD today, so that we can ensure that the program will be there for our seniors tomorrow."

"I will continue to work with the members of the Legislature on this issue and I look forward to receiving their ideas and proposals."

The PAAD program is funded by an 8 percent tax on casino receipts, but the program has been operating at a deficit in recent years, forcing the state's general fund to pick up an increasing share of the costs. The program is increasing by 9% each year, while casino revenues that support the program are increasing only 3% annually. In FY99, the state budget provides \$76 million from general revenues for the \$207 million PAAD program.